

Message Text

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PAGE 01 ANKARA 03483 051547Z
ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-08 EA-10 FRB-03 INR-10 IO-13 NEA-11
NSAE-00 OPIC-03 SP-02 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 DODE-00 PM-05 H-01 L-03 PA-01
NSCE-00 SSO-00 ICAE-00 INRE-00 ACDA-12 XMB-02
/124 W

-----027259 051555Z /45

O R 051440Z MAY 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 1808
INFO AMCONSUL ADANA
AMEMBASSY BONN
AMEMBASSY LONDON
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY PARIS

C O N F I D E N T I A L ANKARA 3483

E.O. 11652 GDS
TAGS: EFIN, PINT, TU
SUBJ: MANDATE FOR TURKISH DEBT RESCHEDULING

REF: (A) STATE 110526 (B) STATE 110866

1. TURKEY'S ADAMANT OPPOSITION TO THE CREATION OF AN
AD HOC GROUP OF CREDITORS BY THE OECD CONSORTIUM AND
EQUALLY VEHEMENT OBJECTION TO AN EXPLICIT REFERENCE
TO CREDITOR CLUB PROCEDURES AND THE ELECTION OF A FRENCH
CHAIRMAN BOTH STEM FROM THE ECEVIT GOVERNMENT'S PER-
CEIVED NEED TO PORTRAY ITSELF AS NOT BEING DICTATED TO
BY FOREIGN POWERS. THIS NEED IS ILLUSTRATED BY THE WAY
TURKEY IMPLEMENTED ITS OWN STABILIZATION PROGRAM AND THEN
PRESENTED IT TO THE IMF FOR APPROVAL AND BY
TURKISH REFUSAL TO ALLOW REGULAR, ON-THE-SPOT IMF MONI-
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TORING OF STANDBY PERFORMANCE.

2. THE ECEVIT GOVERNMENT FEELS THAT IT CANNOT AFFORD
TO OPEN ITSELF TO CHARGES, WHICH COULD COME FROM BOTH
WITHIN THE RPP AND FROM OPPOSITION PARTIES, OF CAPITU-
LATING TO FOREIGN DEMANDS. THIS, IN PART, IS A REACTION BOTH
TO OTTOMAN CAPITULATIONS AND TO THE U.S. ARMS EMBARGO.

3. ACCEPTING THE FACT THAT TURKEY WILL HAVE TO HAVE ITS DEBT RESCHEDULED UNDER "CREDITOR CLUB PROCEDURES", EMBASSY FEELS THAT U.S. INTERESTS WOULD BE SERVED IF WE COULD PROPOSE A REWORDING OF THE MANDATE OF THE AD HOC OECD GROUP IN A WAY WHICH MIGHT SATISFY TURKISH SENSIBILITIES. WE WOULD SUGGEST THAT THE LAST PHRASE OF THE MANDATE (REF B) MIGHT BE CHANGED FROM " . . . ESTABLISHED CREDITOR CLUB PROCEDURES" TO " . . . ESTABLISHED PROCEDURES FOR MULTILATERAL DEBT RESCHEDULING."

4. ALTHOUGH WE DO NOT KNOW IF SUCH A CHANGE WOULD BE ACCEPTABLE TO THE TURKS, THE FACT THAT THE U.S. COULD BE SEEN AS SUPPORTIVE OF TURKISH DOMESTIC POLITICAL NEEDS WOULD BE WORTHWHILE FROM THE STANDPOINT OF OUR BILATERAL RELATIONS.

5. EMBASSY ALSO RECOMMENDS THAT US DELEGATE TO MAY 16-19 MEETINGS REITERATE OUR OPPOSITION TO EXPLICIT REFERENCE IN THE MANDATE TO A FRENCH CHAIRMAN AND ATTEMPT TO GET THIS PHRASE DELETED.

6. HOPEFULLY THESE MOVES, IF SUCCESSFUL, WOULD ASSUAGE TURKISH OPPOSITION TO CREATION OF AD HOC GROUP.
SPIERS

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